

U. S. S E N A T E



# Republican Policy Committee

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## ***Latest Data Show Family Earnings Deteriorating***

## **In Clinton Economy, America Works Harder for Less**

The latest economic data from the Bureau of Labor Statistics (BLS) confirm what Americans already know: They are working harder and bringing home less. America's workers are no longer on the proverbial treadmill — they are actually falling behind. Hardest hit are America's families that are being supported by two or more jobs that are paying less in real terms than they were before President Clinton took office. They are losing because they are paying more in taxes, while only the federal bureaucracy benefits.

In constant 1982 dollars:

- ▶ Americans worked 34.4 hours a week in 1992; as of August 1996, they are still working 34.4 hours per week.
- ▶ Americans earned \$7.42 an hour in real terms in 1992; as of August, it was \$7.41.
- ▶ Americans earned a total of \$255.01 a week in real terms in 1992; as of August, it had actually fallen to \$254.57.

Why are wages stagnating? The answer comes from the increased real cost of employing a worker versus the real output of a worker — a worker's real return. Because of the increased costs of regulations, employers are paying more to hire workers. Employers aren't paying their workers more because they are paying the federal government more in the cost of regulations.

- ▶ Since 1992, the real output per hour of American workers has increased 2 percent.
- ▶ However, the real compensation of American workers has increased just 0.1 percent.
- ▶ The reason for the gap is that real labor costs have increased 9.6 percent since 1992.

On top of that, because of Clinton's increased taxes, workers get to keep even less of these stagnating real earnings.

- ▶ According to CBO, the average family's 1992 tax burden was \$6,451 with a 22.7 percent effective rate; in 1996 it is estimated to be \$7,072 with a 23.8 percent effective rate.

### **The Clinton Economic Formula**

***More taxes + More regulations = Lower Take-Home Pay***

**Under Clinton, American families' loss has been Washington's gain!**

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